
Local Government Committee

HB 1864

Brief Description: Specifying requirements for a city or town to assume jurisdiction over, or levy and collect taxes on, a water-sewer district.

Sponsors: Representative Takko.

Brief Summary of Bill

- Prohibits a city from assuming jurisdiction over all or part of a water-sewer district serving a population greater than 1,000 residents and containing, within its boundaries, the territory of two or more cities, or one city and unincorporated territory, unless voters of the entire water-sewer district approve a ballot proposition authorizing the assumption.
- Requires that a feasibility study be completed and made public before a public vote is held regarding an assumption of jurisdiction.
- Denies jurisdiction to a Boundary Review Board to review an attempted or completed assumption that has been subject to a vote by the voters in the water-sewer district and which involves not more than one city.
- Authorizes a city or town to levy and collect taxes on a water-sewer district that operates water or sewer facilities in the city or town.

Hearing Date: 2/9/07

Staff: Thamas Osborn (786-7129).

Background:

Current law sets forth legislative and electoral mechanisms, based upon geographic location and property valuation, for the assumption of jurisdiction of water-sewer districts (districts) by cities or towns. State law provides several sets of requirements applicable to various types of assumptions occurring under specified circumstances, including the following:

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- Whenever all of the territory of a district is located within the corporate boundaries of a city, the city legislative body may adopt a resolution or ordinance to assume jurisdiction over the entire district.
- Whenever a portion of a district equal to at least 60 percent of its area, or 60 percent of the assessed valuation of the real property lying within the district, is included within the corporate boundaries of a city, the city may assume by ordinance the full and complete management and control of that portion of the entire district not included within another city. Related statutes specify that under certain circumstances the district may, upon a favorable vote of a majority of all voters within the district, require a city to assume responsibility for the operation and maintenance of the district's property, facilities and equipment throughout the entire district.
- Whenever the portion of a district included within the corporate boundaries of a city is less than 60 percent of the area of the district and less than 60 percent of the assessed valuation of the real property within the district, the city may assume, by ordinance, jurisdiction of the district's responsibilities, property, facilities and equipment within the corporate limits of the city. The city may also assume responsibility for the operation and maintenance of the district's property, facilities and equipment throughout the entire district upon a favorable vote of a majority of all voters within the district.
- Whenever more than one city, in whole or in part, is included within a district, the city which has within its boundaries 60 percent or more of the area of the assessed valuation of the district may, with the approval of any other city containing part of such district, assume responsibility for operation and maintenance of the district's property, facilities and equipment within such other city.

Summary of Bill:

General Requirements for the Assumption of Jurisdiction

A city may not assume the jurisdiction over a water-sewer district serving a population greater than 1,000 residents and containing, within its boundaries, the territory of two or more cities, or one city and unincorporated territory, unless voters of the entire water-sewer district approve a ballot proposition authorizing the assumption. The cost of the election must be borne by the city seeking to assume such jurisdiction. The approval of the voters in a water-sewer district is not required if the board of commissioners of the water-sewer district consents to the assumption of jurisdiction by the city or town.

Requirements for Feasibility Study

A feasibility study is required regarding a proposed assumption of jurisdiction prior to the matter being subject to a decision by the voters in the water-sewer district. This feasibility study must comply with specified criteria and procedural conditions, including:

- The study must be done by a qualified expert with expertise involving public water and sewer systems;
- It must address specified issues relating to functional and operational impacts, financial consequences, water rights, etc.;
- It must be completed within six months of the passage of the resolution proposing the assumption;

- The findings of the study must be made available to the voters as a public record; and
- The vote on assumption cannot take place until the study is completed and the results made public.

A feasibility study is not necessary if the board of commissioners of the water-sewer district consents to the assumption of jurisdiction by the city or town.

A Boundary Review Board is denied jurisdiction to review an attempted or completed assumption that has been subject to a vote by the voters in the water-sewer district and which involves not more than one city.

The substantive and procedural provisions of the act are applicable to assumptions of jurisdiction that are pending as of the effective date of the act.

Authorizes a city or town to levy and collect taxes on a water-sewer district that operates water or sewer facilities in the city or town. The taxes shall be based on the gross revenues derived by the district from sale of water or sewer services within the city or town. The district is authorized to make proportional increases in the rates or charges imposed on consumers as the result of such taxes.

Appropriation: None.

Fiscal Note: Requested on February 5, 2007.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.